

# K-FAST HOLDING AB INTERIM REPORT

## JANUARY - MARCH 2022

*“During the quarter total apartments under management exceeded 3,000, demonstrating that our four business areas are working in harmonization and we expect the rate of completion to further increase leading to a high growth in rental value.”*



K-Fastigheter completed Kokhuset in the attractive residential neighborhood T4 in Hässleholm.

### Number of apartments under management



**3,050** UNITS  
Q1 2022

**2,723** UNITS  
Q4 2021

### Investment properties, value



**10,552.9** SEK M  
Q1 2022

**9,603.7** SEK M  
Q4 2021

### Number of homes in production



**1,880** UNITS  
Q1 2022

**1,820** UNITS  
Q4 2021

### Long term Net Asset Value



**5,225.7** SEK M  
Q1 2022

**4,976.1** SEK M  
Q4 2021

### Rental income



**79.3** SEK M  
Q1 2022

**59.5** SEK M  
Q1 2021

### Profit from property management



**26.0** SEK M  
Q1 2022

**19.5** SEK M  
Q1 2021



K-FASTIGHETER

## THE PERIOD IN BRIEF

### January–March

- The Covid-19 pandemic and the war in Ukraine continued not to significantly affect K-Fastigheter's operations, profit or financial position in the period up until publication of this Interim Report.
- Rental income in the period amounted to SEK 79.3 million (59.5), up 33 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 34 percent to 3,050 (2,277) year-on-year.
- Income from project development and construction operations totaled SEK 464.6 million (371.9), of which SEK 195.1 million (146.9) related to intra-group projects. SEK 269.5 million (225.1) related to external projects, of which Prefab's external income amounted to SEK 268.5 million (224.7).
- Consolidated gross profit for the period amounted to SEK 58.2 million (51.6), of which operating surplus attributable to property management was SEK 50.0 million (35.5) and gross profit from project and contracting operations totaled SEK 8.2 million (16.1).
- Profit before value changes amounted to SEK 5.9 million (25.4) in the period.
- Profit from property management amounted to SEK 26.0 million (19.5), up 34 percent year-on-year. Profit from property management per share was SEK 0.12 (0.09).
- Unrealized value changes for investment properties amounted to SEK 239.9 million (162.9), and to SEK 179.7 million (26.5) for derivatives and other items. Unrealized value changes in investment properties comprised SEK 171.6 million (142.2) from construction projects in progress and SEK 68.3 million (20.7) from property management.
- Profit for the period was SEK 328.2 million (171.9), corresponding to SEK 1.52 (0.78) per share.
- At the end of the period, the value of the investment properties amounted to SEK 10,552.9 million (9,603.7), an increase of 10 percent compared to 31 December 2021 and up 42 percent compared to 31 March 2021.
- At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,225.7 million (4,976.1), corresponding to SEK 24.27 per share (23.11), an increase of 5 percent compared to 31 December 2021 and up 33 percent on 31 March 2021.

- The interest coverage ratio for the period was a multiple of 1.9 (2.9) and on a rolling 12 months basis was a multiple of 3.0 (2.7). The equity/assets ratio was 35.8% (36.9) and the Debt-to-equity ratio was 52.9 (51.8).

### Significant events in the first quarter

- On 23 March 2022, K-Fastigheter announced the appointment of Johan Hammarqvist as the new Head of Investor Relations and Communications at K-Fastigheter. Johan Hammarqvist previously was Head of Communications at Eolus Vind AB. He will join the Group's management team and will take up his new position in May 2022.

The table on page 5 shows completed acquisitions of building rights and investment properties, construction starts and completed projects and renovations carried out under K-Fastigheter's renovation concept in the first quarter 2022 and up until publication of this report.

### Significant events after the end of the period

- K-Fastigheter's Annual Report 2021 was published on 4 April 2022.
- The Notice convening the Annual General Meeting in K-Fastigheter was published on 4 April 2022. The full Notice convening the AGM, including registration procedure, proposed agenda and supporting documentation can be found on K-Fastigheter's website. K-Fastigheter's Board intends to propose that the AGM authorize that no dividend be paid for 2021, and that the AGM 2023 authorize the Board to decide to effect one or several new issues of a maximum of 24,000,000 new Class B shares. For more information please refer to the Notice convening the AGM.
- On 8 April 2022, K-Fastigheter announced the appointment of Stefan Paulsson as acting CEO of K-Prefab AB for the period to 31 December 2022. Kaj Grönvall, CEO of K-Prefab AB, has been forced to take timeout from his position as CEO due to an eye condition. Stefan Paulsson previously was Deputy CEO and Chief Operating Officer of K-Prefab. As acting CEO of K-Prefab AB, Stefan Paulsson will join the Group's management team.

- On 20 April 2022, K-Fastigheter's associated company Novum Samhällsfastigheter AB signed an agreement regarding a sale related to an upcoming construction. Possession is planned during 2022. Expected income for K-Fastigheter amounts to approximately SEK 25 million.

Key performance indicators*	2022	2021	2021
	Jan–Mar	Jan–Mar	Jan–Dec
Rental income, SEK m	79.3	59.5	265.9
Project and construction income, SEK m	269.5	225.1	976.1
Gross profit, SEK m	58.2	51.6	277.9
Profit from property management, SEK m	26.0	19.5	101.4
Profit for the period, SEK m	328.2	168.2	1,044.4
Net investments in investment properties, SEK m	707.4	414.9	1,608.1
Investment properties, SEK m	10,552.9	7,426.3	9,603.7
Long-term net asset value (NAV), SEK m	5,225.7	3,917.8	4,976.1
Number of apartments under management	3,050	2,277	2,723
Number of construction starts, apartments	244	296	996
Number of apartments under construction	1,880	1,567	1,820
Number of apartments under project development	5,347	5,281	5,869
Interest coverage ratio, multiple	1.9	2.9	3.4
Equity/assets ratio, %	35.8%	37.8%	36.9%
Debt-to-equity ratio, %	52.9%	48.6%	51.8%
Profit from property management, SEK per share	0.12	0.09	0.47
Growth in profit from property management per share, %	33.6%	18.5%	29.8%
Long-term net asset value (NAV), SEK per share	24.27	18.19	23.11
Growth in long-term net asset value (NAV), per share, %	5.0%	7.0%	35.9%
Earnings per share, SEK**	1.52	0.78	4.85
Number of shares outstanding at the end of the period, millions***	215.3	215.3	215.3
Average number of shares outstanding during the period, millions***	215.3	215.3	215.3

\* Key performance indicators (definitions and information about KPIs) can be found at [k-fastigheter.com/en/investors/reconciliation-table-and-definitions/](https://k-fastigheter.com/en/investors/reconciliation-table-and-definitions/).

\*\* There are no potential shares (e.g. convertibles in the company, and accordingly no dilution effect).

\*\*\* Adjusted for 6:1 share split in June 2021.

## COMMENTS FROM THE CEO



Jacob Karlsson, CEO of K-Fast Holding AB

### ***High activity and a unique business model secured***

***K-Fastigheter ended 2021 as a stronger and better organization than ever. We started 2022 at a high pace, with expectations to continue to deliver on a high level despite market uncertainty and geopolitical factors. This is only achievable due to our unique business model, which together with clear goals and competent employees provides the foundation to win market shares despite global headwinds.***

The property sector has for several years delivered record results, mainly due to the unrealized value which has become visible with descending return requirements. The uniqueness of K-Fastigheter's business model is that the majority of our unrealized value does not originate from descending return requirements but from our progressive revenue recognition methodology in project development and construction, which for the quarter amounted to SEK 171.6 million. Under this methodology we recognize the difference between cost and market value progressively in line with the completion of the construction, which we internally regard as our project development gross margin. We believe this growth engine will continue to deliver

at the same rate, if not even higher, in a climate of stagnant values and increased volumes. This is one of the unique qualities that makes me feel comfortable that K-Fastigheter can deliver good profit in the future too.

The supply chain challenges we experienced during the pandemic were still present in the first quarter but they are now driven by the tragic war in Ukraine. We currently do not see any risk for K-Fastigheter to be without key components or material but, we have had to be creative in finding new alternative materials and suppliers within the Construction and Prefab business areas. We are focusing less on "just in time" solutions, but instead on supply chain security, which require more capital to be tied up in the business in the form of increased inventory. This is however a relatively low cost compared to being without material.

Cost inflation has impacted building materials and other procurement. However, K-Fastigheter's wonderful employees have managed to offset the majority of the price rises by increased efficiency and innovation in combination with higher volumes, and I feel very assured that we in financial year 2022, can maintain the current production cost levels, which will secure our competitive position further.

During the quarter, total apartments under management exceeded 3,000, demonstrating that our four business areas are working in harmonization and we expect the rate of completion to further increase leading to a high growth in rental value. In addition, we had 1,880 apartments under construction at the end of the quarter which represent a total rental value of SEK 255 million and an average PTV of 70 percent (total cost in relation to market value) compared to 72 percent in PTV in the corresponding quarter in 2021. The financial letting ratio was 97.4 percent at the end of the quarter, which is a new record during our time as a listed company. The demand is high for our projects under construction and the letting ratio is satisfactory. In Prefab and Construction, we have secured our cement and steel requirements for 2021. Prefab has now received its total number of internal projects from K-Fastigheter, which represent a third of Prefab's total order volumes for 2022 and which will guarantee the use of full capacity in the financial year. Prefab completing all internal

projects for K-Fastigheter is a key factor in cost inflation mitigation.

As aforementioned, we are faced with increased inflation which is primarily caused by increased energy prices. In addition, we have the terrible war in Ukraine which affects so many people that it is difficult to talk about in relation to K-Fastigheter's progress, but it is a reality we are forced to deal with. As previously mentioned, we have responded to the project development and construction challenges by increasing efficiency and innovation but also by increasing volumes. To account for the increase in energy and operating costs that we experienced during the fall and keep experiencing, we have changed our market valuations by increasing operating and maintenance costs to within the range of SEK 40-50/square-meter. As a result of this, the market value for our completed investment properties is relatively unchanged in the first quarter, despite the direct return declining from 3.82 percent to 3.76 percent.

With this in mind, the decision we took in 2021 to install photo voltaic cells on all new build Lateral Low-Rise buildings and Apartment Blocks on which construction was started in 2021 or later, feels like the right decision. The production capacity of these photo voltaic cell plants is equivalent to the electricity consumption of the building which generates a reduction in operating costs of approximately SEK 15/square-meter.

Profit from property management increased by 34 percent to SEK 26.0 million corresponding to an increase of 34 percent per share. The Group's comprehensive income in the first quarter of 2022 totaled SEK 330.3 million, an increase of 92 percent compared to the corresponding quarter in 2021.

Net asset value per share increased by 5 percent since the end of 2021 and by 33 percent compared to the corresponding quarter in 2021.

To conclude, K-Fastigheter is ambitious and forward looking, but is underpinned by an asset type characterized by low risk and clear demand both in the long-term and short-term. ■

**- Jacob Karlsson, May 2022**

## PROPERTY PORTFOLIO AND VALUATION

### Property portfolio

On 31 March 2022, the Group's property portfolio comprised 95 completed investment properties<sup>1</sup> distributed over a total of 192,518 square meters of residential and 44,506 square meters of commercial space. In addition, the Group had 26 ongoing construction projects, distributed over 126,372 square meters of residential and 3,627 square meters of commercial space. Furthermore, K-Fastigheter has 31 projects in progress in the project development phase, at various stages of building permit application or project planning, of which 15 are projects for which K-Fastigheter has yet to take possession of the land.

Of the property holding, 81 percent of properties were constructed after 2010. Newsec assesses that all are located in category A or B positions in the communities where the Group operates. As of 31 March 2022, contractual rent amounted to SEK 357.7 million, with an estimated operating surplus of SEK 265.1 million, corresponding to a surplus ratio of some 74 percent. For newly produced concept buildings, the corresponding potential surplus ratio is some 81 percent, and approximately 65 percent for other properties in the portfolio. Of the contractual rent, 87 percent pertains to housing or related rentals (such as parking) divided between the 3,050 apartments under property management at the end of the period. Contractual rent from commercial tenants is distributed over some 160 commercial contracts, with the largest tenant comprising approximately 2 percent of total contractual rental income and the 10 largest commercial tenants comprising approximately 5 percent of total contractual rental income.

K-Fastigheter's management operations are divided into three regions: South, West and East. Of the property holding, 93 percent of property values are located in region South, encompassing Skåne, Denmark and southern Småland. Region West encompasses Halland and the Västra Götaland region. Region East includes the Mälardalen region and Nyköping and Gävle. As of 31 March 2022, all completed investment properties are located in Sweden. Two construction projects totaling 18,101 square meters divided over

243 apartments and two projects totaling 6,919 square meters divided over 68 apartments acquired but not yet possessed, can be found in Denmark.

### Valuation

Each quarter, K-Fastigheter conducts an external or internal valuation of all completed investment properties and properties in construction. As of 31 March 2022, all properties have been valued by an independent external valuer. The valuation forms the basis for fair value recognized in the Consolidated Statement of Financial Position and the value change is recognized in the Consolidated Income Statement. All investment properties have been assessed as level 3 in the value hierarchy in accordance with IFRS 13 Fair Value Measurement.

At the end of the period, the value of investment properties totaled SEK 10,552.9 million (9,603.7), distributed over completed investment properties of SEK 7,711.5 million (6,923.4), undeveloped land and building rights of SEK 693.4 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,130.2 million (1,940.0). During the period, SEK 427.3 million (286.6) was invested in new construction, extensions and remodeling. Acquisitions during the period totaled SEK 283.5 million (128.6). Divestments of building rights totaling SEK 3.4 million (0.3) were completed in the period.

Unrealized value changes in investment properties for the period were SEK 239.3 million (162.9), distributed over SEK 68.3 million (20.7) for properties under management and SEK 171.6 million (142.2) for construction projects in progress.

At the end of the period the direct return requirement in the valuation of new construction in progress amounted to 3.78 percent (3.95). On completion, the estimated market value of the new construction projects in progress amounts to SEK 5,644.0 million (4,322.7).

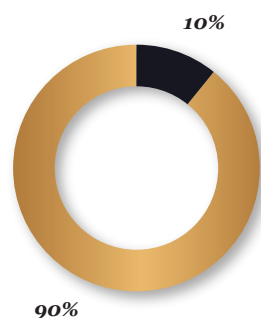
Property-related key performance indicators	31 Mar 2022	31 Mar 2021	31 Dec 2021
<b>Opening carrying amount, investment properties</b>	<b>9,603.7</b>	<b>6,853.5</b>	<b>6,853.5</b>
+ Acquisitions	283.5	128.6	292.6
+ New construction	423.2	277.5	1,326.3
+ Extensions and rebuilds	4.1	9.1	40.2
- Divestments	-3.4	-0.3	-51.0
- Other reclassifications and obsolescence	1.9	-5.1	3.1
Unrealized value changes	239.9	162.9	1,139.1
of which, completed investment properties	76.9	33.7	434.5
of which, undeveloped land and building rights	-8.7	-13.0	-2.9
of which, ongoing construction	171.6	142.2	707.4
<b>Closing carrying amount, investment properties</b>	<b>10,552.9</b>	<b>7,426.2</b>	<b>9,603.7</b>
of which, completed investment properties	7,711.5	5,278.0	6,923.4
of which, undeveloped land and building rights	693.4	719.1	722.3
of which, site leaseholds	18.0	18.0	18.0
of which, construction in progress	2,130.2	1,411.1	1,940.0
Rental value, SEK million	367.1	278.0	328.0
Rental income at end of period, SEK/m <sup>2</sup>	1,509	1,389	1,487
Direct property costs, SEK/m <sup>2</sup>	400	386	374
Operating surplus, SEK/m <sup>2</sup>	1,118	1,003	1,113
Financial letting ratio at the end of the period	97.4%	92.9%	97.0%
Average financial letting ratio over period	94.8%	89.4%	92.7%
Surplus ratio over period	63.0%	59.7%	66.2%
Lettable area, m <sup>2</sup>	237,024	185,976	213,952
Number of homes under management	3,050	2,277	2,723
Direct return on completed investment properties	3.76%	4.05%	3.82%
Direct return requirement, construction in progress	3.78%	3.95%	3.77%
Direct return requirement, all valued properties	3.77%	4.00%	3.80%
Of which housing	3.63%	3.89%	3.67%
of which premises	5.14%	4.83%	5.06%



At the end of the period, the average direct return requirement for properties under management amounted to 3.76 percent (4.05) and for the full property portfolio, including undeveloped land, building rights and ongoing construction, the average direct return was 3.77 percent (4.00).

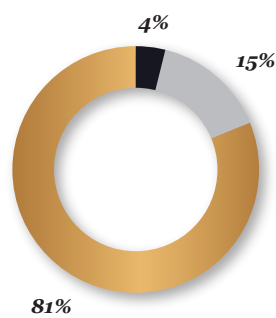
For further information on K-Fastigheter's valuation principles, see the 2021 Annual Report (Valuation section and Note 16 Investment properties).

**Property value by category, as of 31 Mar 2022, %**

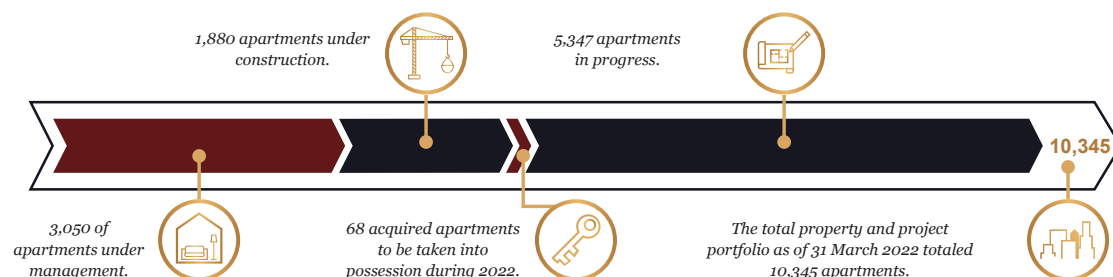


● Apartments  
● Premises

**Property value by construction year, as of 31 Mar 2022, %**



● >2010  
● 2000-2010  
● <2000



#### Acquired Investment properties

Properties	Municipality	Transfer date	Number of apartments	Area (m <sup>2</sup> )	Yearly rental value (SEK m)	Purchase price (SEK m)
Stafvre 7 etc.	Kristianstad	Mar 2022	105 + two pre-schools	8,966	13.6	227.0
Badaren 10	Hässleholm	Feb 2022	38	2,405	2.5	34.0

#### Acquired building rights

Properties	Municipality	Expected of construction	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)	Purchase price (SEK m)
Notarien 21	Eskilstuna	2022	106	5,830	12.5	23.4
1bt Pederstrup By*	Ballerup (DK)	2022	153	11,073	26.7	111.9

#### Projects where construction has commenced

Property	Municipality	Expected completion	Number of apartments	Area (m <sup>2</sup> )	Estimated yearly rental value (SEK m)
Östra Vildrosen 1	Västerås	Oct/Dec 2023	125	9,660	18.6
Sågklingan 14	Västerås	Jul 2025	119	7,413	15.3

#### Project completions

Property	Municipality	Move in	Number of apartments	Area (m <sup>2</sup> )	Rental value (SEK million)
Trollet 1	Växjö	Feb 2022	48	3,403	5.9
Oppebygård 1:17 – phase 1	Nyköping	Feb 2022	16	1,021	1.9
Flora 13	Höganäs	Mar 2022	71	3,857	7.4
Stubbarp 33:27 – phase 3	Höganäs	Mar 2022	25	1,820	3.0
Hammar 9:197 – phase 1	Kristianstad	Mar 2022	24	1,572	2.8

K-Fast 2.0	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Number of apartments renovated	5			
Increase in rental value (SEK m)	0.1			

\*Property not yet transferred.

#### Important information regarding tables on page 5 and 6

Information on completed investment properties includes estimates and judgments. Contractual rent refers to the contract value on the balance sheet date recalculated at an annualized rate. Rental value refers to contractual rent plus estimated rent for vacancies. Property costs refer to budgeted property costs on an annual basis and are exclusive of property administration. The estimates and judgments involve uncertainties and the disclosures above should not be viewed as a forecast.

Details of construction projects and project development in progress on this page and the next are based on assessments of the size, focus and scope of construction projects and project development in progress, and of when projects are scheduled to commence and be completed. These details are also based on estimates regarding future investments and rental value. These estimates and judgments should not be viewed as a forecast. The estimates and judgments entail uncertainties regarding the execution, design and scale, scheduling, project costs and future rental value of the projects. Details of projects in progress are reviewed regularly and estimates and judgments are adjusted as a result of projects in progress being completed or new ones being added, as well as due to changes in conditions. Financing has not been secured for projects where construction has yet to commence, meaning that financing of construction investments in project development represents a source of uncertainty.

## Investment properties

Per building category	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Letting ratio	Contractual rent	Property costs		Operating surplus	
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	%	SEK m	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>
Concept buildings	1,963	121,015	2,240	123,255	5,065.9	41,101	220.7	1,791	99.0%	218.6	31.2	253	187.4	1,520
Other	1,087	71,503	28,545	100,048	2,538.5	25,373	136.9	1,369	95.4%	130.6	37.0	370	93.6	935
<b>Total excluding development properties</b>	<b>3,050</b>	<b>192,518</b>	<b>30,785</b>	<b>223,303</b>	<b>7,604.4</b>	<b>34,054</b>	<b>357.6</b>	<b>1,602</b>	<b>97.6%</b>	<b>349.2</b>	<b>68.3</b>	<b>306</b>	<b>280.9</b>	<b>1,258</b>
Development properties	0	0	13,721	13,721	107.1	7,806	9.5	692	89.9%	8.5	3.2	233	5.3	389
<b>Total including development properties</b>	<b>3,050</b>	<b>192,518</b>	<b>44,506</b>	<b>237,024</b>	<b>7,711.5</b>	<b>32,535</b>	<b>367.1</b>	<b>1,549</b>	<b>97.4%</b>	<b>357.7</b>	<b>71.5</b>	<b>301</b>	<b>286.3</b>	<b>1,208</b>
<b>Per geographical region</b>														
South	2,857	181,957	33,523	215,480	7,136.7	33,120	338.0	1,569	97.6%	329.7	65.8	305	263.9	1,225
West	117	5,664	10,163	15,827	367.4	23,213	18.9	1,193	94.6%	17.9	3.5	220	14.4	909
East	76	4,897	820	5,717	207.4	36,278	10.2	1,790	98.8%	10.1	2.1	374	8.0	1,394
<b>Total</b>	<b>3,050</b>	<b>192,518</b>	<b>44,506</b>	<b>237,024</b>	<b>7,711.5</b>	<b>32,535</b>	<b>367.1</b>	<b>1,549</b>	<b>97.4%</b>	<b>357.7</b>	<b>71.5</b>	<b>301</b>	<b>286.3</b>	<b>1,208</b>
												Property administration	21.2	89
												<b>Operating surplus incl. property administration</b>	<b>265.1</b>	<b>1,118</b>

## Construction projects in progress<sup>1)</sup>

By concept building	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	1,761	117,756	0	117,756	5,248.7	44,572	235.9	2,003	3,669.9	1,727.8	2,394.0
Other	119	8,616	3,627	12,243	395.4	32,293	19.4	1,582	352.0	222.0	247.8
<b>Total</b>	<b>1,880</b>	<b>126,372</b>	<b>3,627</b>	<b>129,999</b>	<b>5,644.0</b>	<b>43,416</b>	<b>255.2</b>	<b>1,963</b>	<b>4,022.0</b>	<b>1,949.8</b>	<b>2,641.8</b>
<b>Per geographical region</b>											
South	1,058	72,635	2,487	75,122	3,094.0	41,187	144.1	1,919	2,202.0	1,166.3	1,554.1
West	362	23,106	0	23,106	1,207.0	52,238	51.2	2,217	825.5	341.9	519.2
East	460	30,631	1,140	31,771	1,343.0	42,271	59.9	1,884	994.4	441.7	568.4
<b>Total</b>	<b>1,880</b>	<b>126,372</b>	<b>3,627</b>	<b>129,999</b>	<b>5,644.0</b>	<b>43,416</b>	<b>255.2</b>	<b>1,963</b>	<b>4,022.0</b>	<b>1,949.8</b>	<b>2,641.8</b>

## Project development in progress<sup>1)</sup>

By concept building	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Investment (including land), SEK million <sup>2)</sup>		
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	Estimated	Developed	Carrying amount
Concept buildings	5,338	322,643	686	323,329	13,473.2	41,670	628.5	1,944	10,132.5	112.6	112.6
Other	9	1,208	0	1,208	43.4	35,926	1.9	1,600	32.5	23.2	23.2
<b>Total</b>	<b>5,347</b>	<b>323,851</b>	<b>686</b>	<b>324,537</b>	<b>13,516.6</b>	<b>41,649</b>	<b>630.4</b>	<b>1,942</b>	<b>10,164.9</b>	<b>135.7</b>	<b>135.7</b>
<b>Per geographical region</b>											
South	2,391	143,277	686	143,963	5,799.4	40,284	273.6	1,901	4,322.7	79.5	79.5
West	1,320	80,814	0	80,814	3,195.0	39,535	155.9	1,929	2,500.1	21.0	21.0
East	1,636	99,760	0	99,760	4,522.3	45,332	200.9	2,013	3,342.2	35.3	35.3
<b>Total</b>	<b>5,347</b>	<b>323,851</b>	<b>686</b>	<b>324,537</b>	<b>13,516.6</b>	<b>41,649</b>	<b>630.4</b>	<b>1,942</b>	<b>10,164.9</b>	<b>135.7</b>	<b>135.7</b>

## Summary<sup>1)</sup>

	No. of apartments	Lettable area, m <sup>2</sup>			Property value		Rental value		Carrying amount
		Housing	Premises	Total	SEK m	SEK/m <sup>2</sup>	SEK m	SEK/m <sup>2</sup>	SEK m
Completed investment properties	3,050	192,518	44,506	237,024	7,711.5	32,535	367.1	1,549	7,711.5
Construction projects in progress	1,880	126,372	3,627	129,999	5,644.0	43,416	255.2	1,963	2,641.8
Project development in progress	5,347	323,851	686	324,537	13,516.6	41,649	630.4	1,942	135.7
New construction projects other									40.6
Undeveloped land									5.4
Acquired but not yet possessed	68	6,919	0	6,919	313.4	45,301	15.0	2,173	0.0
Site leaseholds									18.0
<b>Total</b>	<b>10,345</b>	<b>649,659</b>	<b>48,819</b>	<b>698,478</b>	<b>27,185.6</b>	<b>38,921</b>	<b>1,267.8</b>	<b>1,815</b>	<b>10,552.9</b>

<sup>1)</sup> Data relates to K-Fastigheter's share of potential Joint venture.

<sup>2)</sup> Accrued investment refers to the total costs incurred in each construction project. The carrying amount refers to the consolidated value adjusted for Group eliminations and includes the calculated change of SEK 830.9 million in the value of investment properties.

## CURRENT EARNINGS ABILITY

The table to the right presents the earnings ability of K-Fastigheter's property management operations on a 12-month basis as per 31 March 2022. Earnings ability is not a forecast for the current year or the next twelve months but is to be viewed solely as a theoretical snapshot and is presented for illustrative purposes only. Current earnings ability does not include an assessment of future rent trends, vacancy rates, property costs, interest rates, value changes, acquisitions or divestments of properties, or other factors.

Current earnings ability is based on properties held as of 31 March 2022 and their financing, meaning that current earnings ability illustrates the earnings of the management operations, on an annual basis, at that point in time. Transactions and completion of ongoing new construction projects with a transfer and completion date after 31 March 2022 have therefore not been included in the calculation.

The Income Statement for the management operations is also affected by developments of the value of the property portfolio, as well as by upcoming property acquisitions and/or divestments. Additional items affecting earnings include changes in the value of derivatives. None of the above has been taken into account in current earnings ability, nor in the item Profit from participations in associated companies.

Earnings ability is based on contract rental income from the property portfolio, estimated property costs on an annual basis based on historical outcomes for properties under management, as well as property costs and central administration costs relating to the Property Management business area, estimated on an annual basis based on the current scale of administration. Costs for interest-bearing liabilities have been based on current interest-bearing liabilities and current interest rates (including effects of derivative instruments) at the end of the year.

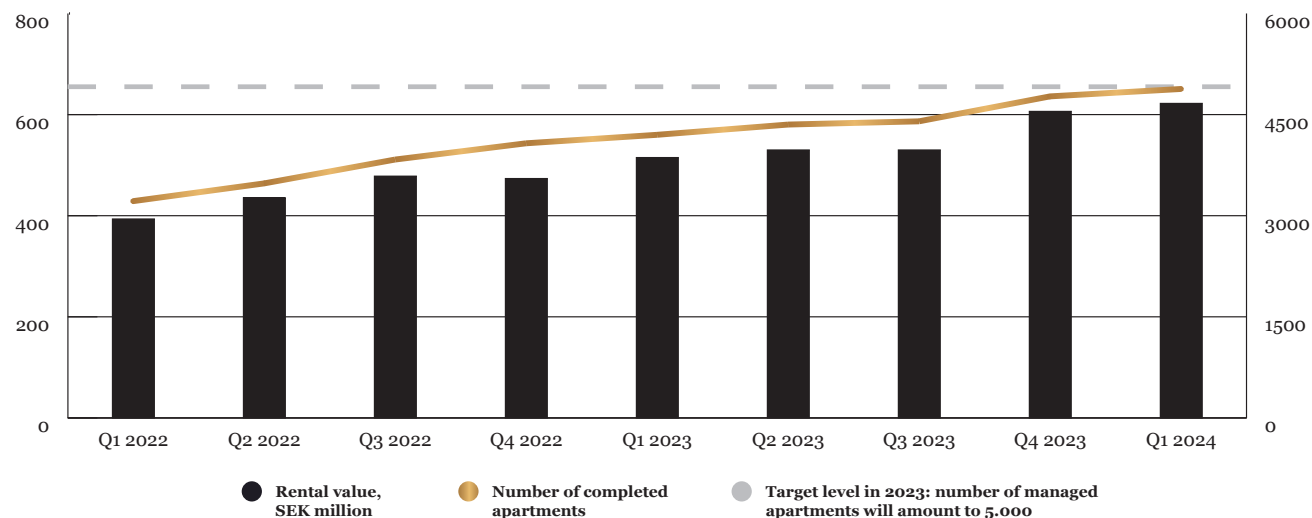
SEK m	2022 31 Mar	2021 31 Dec	2020 31 Dec	2019 31 Dec	2018 31 Dec
Rental value	367.1	328.0	265.1	196.6	133.4
Vacancy	-9.4	-9.8	-23.4	-6.1	-0.9
Rental income	357.7	318.2	241.7	190.5	132.5
Operating costs	-55.5	-42.7	-35.6	-27.0	-19.4
Maintenance	-12.5	-11.0	-9.0	-7.3	-5.6
Property tax/ground rent	-3.5	-3.5	-3.0	-2.6	-1.6
Property administration	-21.2	-22.7	-19.2	-15.0	-12.8
Operating surplus	265.1	238.2	174.9	138.6	93.0
Central administration	-17.6	-10.2	-11.2	-9.6	-4.3
Net interest income	-74.4	-73.0	-51.4	-46.9	-29.0
Profit from property management	173.1	155.0	112.3	82.1	59.7

### Expected rental trend and number of apartments

The following diagram illustrates current rental values for completed investment properties as of 31 March 2022 plus expected rental values of construction projects in progress of investment properties and acquired but not yet handed over investment properties as of 31 March 2022 at a pace with these properties being completed or handed over.

The information about completed properties, construction projects in progress and acquired but not yet handed over investment properties includes estimates and judgments. Rental value refers to contractual rent plus estimated rent for vacancies. These estimates and judgments entail uncertainty and the information in the diagram should not be viewed as a forecast.

#### Rental value



#### Number of completed apartments

## FINANCING

### *Liabilities and derivatives portfolio*

At the end of the period, K-Fastigheter financed its assets exclusively through bilateral loans with Nordic banks. At the end of the period, consolidated interest-bearing liabilities amounted to SEK 6,753.9 million (5,943.9), of which SEK 1,209.0 million (947.5) was classified as current interest-bearing liabilities. Interest-bearing liabilities are distributed between first mortgages for completed investment properties of SEK 4,477.0 million (4,017.8), construction credits of SEK 1,260.6 million (1,057.9), leasing liabilities of SEK 92.1 million (92.7), operating and acquisition credits of SEK 674.8 million (525.6) and a promissory note relating to the acquisition of K-Prefab of SEK 250.0 million (250.0). The debt-to-equity ratio for the Group amounted to 52.9 percent (51.8).

At the end of the period, the Group had contracted credit agreements of SEK 7,664.9 million (7,282.4), of which SEK 4,477.0 million (4,017.8) related to the financing of completed investment and business properties, of which SEK 1,036.5 million (790.2) mature for renegotiation within the next 12 months. In addition to the financing of completed investment and business properties, contracted credit agreements comprise building credits of SEK 2,077.9 million (2,132.1) and operating and acquisition credits of SEK 860.0 million (882.5), of which SEK 360.0 million and SEK 100.0 million relates to acquisition financing of K-Prefab and Mjölback's Entreprenad AB respectively. At the end of the period, building credits and operating and acquisition credits had been utilized at an amount of SEK 1,260.6 million (1,057.9) and SEK 674.8 million (525.6) respectively.

The average period of capital tied up for the Group's interest-bearing liabilities related to acquisition financing and completed investment and business properties amounted to 2.5 years (2.8) as of 31 March 2022.

K-Fastigheter currently works exclusively with variable interest rate loans. Interest rate derivatives, primarily interest rate swaps, are used to adjust the period of fixed interest. Nominally, the swap portfolio totaled SEK 3,200.0 million (3,200.0) at the end of the period, of which SEK 100.0 million comprises swaps with a future start date. At the end of the period, the fair value of the interest derivative portfolio was SEK 218.0 million (36.4). The average interest period for the Group's interest-bearing liabilities related to investment and business properties was 3.9 years (4.4) and the average interest rate was 1.74 percent (1.85), including the effects of interest rate derivatives, and 1.42 percent (1.40), including the effects of interest rate derivatives. The total proportion of variable interest in relation to interest bearing liabilities related to acquisition financing, investment and business properties was 35 percent (29) and the interest rate sensitivity in the event of a 1 percentage point

shift in loan rates amounted to SEK 18.4 million (14.0). All the above KPIs for interest rate risk, with the exception of the average interest period, have been calculated excluding swaps with a future start date.

Otherwise, with regard to financing and financial risk, please refer to the Annual Report 2021 (Financing section and Note 22 Financial risks and finance policy).

Financial targets	Financial targets	Financial covenants	Actual 31 Mar 2022
Debt-to-equity ratio, %	max. 70%		52.9%
Equity/assets ratio, %	min. 25%	min. 25%	35.8%
Interest coverage ratio, multiple*	min. multiple of 1.75	min. multiple of 1.50	multiple of 3.0

\* On a rolling 12 month basis at the end of the period.

### *Credit and interest maturity structure, 31 Mar 2022 (excl. construction credits and operating credits)*

Term	Interest maturity		Credit maturity		Derivatives maturity			Value, SEK million
	Amount, SEK million	Average interest, %	Credit agreements, SEK million	Utilized, SEK million	Interest-rate derivatives	Forward-starting interest rate derivatives	Interest, %	
0-1 years	2,087.0	1.42%	1,036.5	1,036.5	100.0	0.0	0.50%	-0.1
1-2 years	100.0	2.07%	991.5	991.5	100.0	0.0	0.69%	0.6
2-3 years	300.0	1.71%	1,175.9	1,175.9	300.0	0.0	0.33%	8.3
3-4 years	200.0	2.02%	1,737.9	1,737.9	200.0	0.0	0.64%	7.1
4-5 years	400.0	1.75%	238.9	238.9	400.0	0.0	0.37%	25.4
> 5 years	2,100.0	2.03%	6.3	6.3	2,100.0	100.0	0.65%	176.7
<b>Total</b>	<b>5,187.0</b>	<b>1.74%</b>	<b>5,187.0</b>	<b>5,187.0</b>	<b>3,200.0</b>	<b>100.0</b>		<b>218.0</b>



## COMPREHENSIVE INCOME JANUARY – MARCH 2022

The following profit and cash flow items relate to the period 1 January - 31 March 2022. Comparative items relate to the corresponding period in the previous year. Balance Sheet items and comparative figures relate to the position at the end of the period in the current and previous year. All amounts are indicated in SEK million.

The impact of the Covid-19 pandemic and the war in Ukraine on management, project and construction operations has been limited to date, and K-Fastigheter has not experienced any significant impact on its results of operations or financial position in the period up until the publication of this report.

### **Income**

For the first quarter 2022, comprehensive income amounted to SEK 352.4 million (286.5). Rental income amounted to SEK 79.3 million (59.5) in the first quarter, which is an increase of 33 percent year-on-year. The increase was primarily due to more apartments under management, which increased by 34 percent to 3,050 (2,277). The financial letting ratio gradually improved in the period and was 97.4 percent (92.9) at the end of the period.

Income from project and construction operations for the first quarter amounted to SEK 464.4 million (371.9), of which SEK 195.1 million (146.9) related to construction for companies of the Group which has been capitalized for the Group's own purposes. The increase was due to higher activity in the construction of apartments for proprietary management and at the end of the period 1,880 apartments (1,567) were in production, which was an increase of 20 percent compared to the corresponding quarter in 2021. External income for project and contracting sales amounted to SEK 269.5 million (225.1) in the period, of which Prefab's income was SEK 268.5 million (224.7). In Prefab, where the first quarter normally is the weakest quarter due to seasonal effects and relatively few working days, total income for the period was SEK 303.1 million (229.3), of which SEK 34.6 million (15.2) relate

to intra-Group sales. The increase is partly due to organic growth and partly to the acquisitions of Strängnäs Prefab and GH Sydolv, and even though the start of the quarter was affected by Covid-19 it finished very strongly with a production record in March and good occupancy for the coming year.

### **Operating costs**

Property management costs totaled SEK 29.6 million (24.6) for the period, corresponding to an increase of 21 percent year-on-year. Operating surplus amounted to SEK 50.0 million (35.5). The increase in costs and operating surplus were primarily due to more properties under management. The surplus ratio for the period amounted to 63.0 percent (59.7). The surplus ratio in the period was positively affected by gradually improved average letting ratio. The average letting ratio was 94.8 percent (89.4) in the period, and 97.4 percent (92.9) at the end of the period. Operating costs for management operations normally vary according to a seasonal pattern, where costs are higher in the first and fourth quarters compared to the other quarters, which also affects the surplus ratio for these periods.

Costs relating to the project and construction operations comprise direct project-related costs and fixed costs for the construction and Prefab organization. The part of operations involving external construction and production has been reported in the Income Statement. Project and contracting operations for Group property management activities have been capitalized as work for the Group's own purposes and have been reported net in the Income Statement under Project and contracting costs. Gross profit in the period for the Construction business area was SEK -3.1 million (7.0) and SEK 11.3 million (9.1) for Prefab. Gross profit in the Construction business area in the period was positively impacted by high activity in intra-Group projects and negatively impacted by increased organization costs incurred to support future growth. Prefab's gross profit was positively affected by increased income from external and intra-Group sales, while increased raw materials

prices, mainly on steel, cement and mold materials, fuel prices and increased personnel costs associated with the Covid-19 pandemic, had a negative effect on profit.

### **Central administration costs, depreciation/amortization and impairment**

Central administration, which includes Group-wide management, business development, project development, IR/communications and market, HR, IT and finance, amounted to SEK 17.6 million (8.4) for the period. The increase is driven in almost equal proportion by non-recurring costs (for example investment in a new Group wide accounting system) and continuous investments in the organization to support future growth.

Depreciation/amortization and impairment for the period amounted to SEK 14.9 million (5.4), of which depreciation/amortization and impairment attributable to Prefab's operations was SEK 13.4 million (5.0), of which SEK 2.8 million (-) was attributable to amortization of intellectual property rights for the period. Total depreciation/amortization in the period totaled SEK 14.7 million (5.8). Impairment for the period amounted to SEK 0.2 million (+0.4) and relates to obsolescence of construction components in connection with the Group's K-Fast 2.0 renovation program of SEK 0.1 M (0.2) and impairment of receivables of SEK 0.1 million (+0.6).

### **Profit from participations in Group, associated and jointly controlled companies**

Profit from participations in associated and jointly controlled companies amounted to SEK 3.3 million (3.4). Profit was primarily affected by K-Fastigheter's share of profit in PVS Mark & VA Holding AB, Mjölback's Entreprenad AB and Novum Samhällsfastigheter AB, which amounted to SEK 4.1 million in the period.

### ***Net interest income***

Net interest income for the period was SEK -23.1 million (-15.9). At the end of the period, the average interest rate was 1.74 percent (1.69), including the effects of interest rate derivatives. Interest expenses in the period compared to the equivalent period in the previous year, were negatively affected by increased interest-bearing liabilities relating to acquisition of investment properties and new construction. Additional interest expenses relating to acquisition credits totaled SEK 3.5 million (2.3). Credit margins continued to decrease in the period. The interest coverage ratio for the period was a multiple of 1.9 (2.9) due to weaker seasonal profit in the first quarter, and on a rolling 12 month basis was a multiple of 3.0 (2.7).

### ***Profit from property management***

Profit from property management in the first quarter amounted to SEK 26.0 million (19.5), up 34 percent year-on-year. Profit from property management per share amounted to SEK 0.12 (0.09), which is an increase of 34 percent year-on-year.

### ***Value changes***

Unrealized value changes in investment properties for the year were SEK 239.9 million (162.9), distributed over SEK 68.3 million (20.7) for properties under management and SEK 171.6 million (142.2) for construction projects in progress. The increase relating to ongoing new construction was mainly due to increased activity in project development and construction of apartments for property management. The increase relating to properties under management was mainly derived from continued growth in property prices in completed property transactions, which gradually during the period filtered through to the average direct return used in connection with the external valuation of K-Fastigheter's properties under management. In the quarter, the assumptions regarding operating and maintenance costs in the valuations were adjusted and increased by between SEK 40-50/square-meter. This was partly to reflect the actual costs of 2021 but also to reflect the cost increases we are experiencing especially with energy prices. This

adjustment has had a negative affect on the valuation of both completed properties and properties, under construction and therefore also to the value change. In total, the increase in the period corresponded to 0.9 percent of the total value of properties under management at the end of the period.

The average direct return requirement for K-Fastigheter's entire property portfolio, including undeveloped land and building rights and new construction in progress, amounted to 3.77 percent (4.00) at the end of the period. The decrease was partly attributable to a lower direct return due to the aforementioned market price development, and because K-Fastigheter's property portfolio increasingly consists of a relatively higher proportion of residential units in better locations. For more information, see Property portfolio and Valuation.

Changes in the value of derivatives and other items amounted to SEK 179.7 million (26.5) for the period. The trend in the period was primarily caused by higher market rates, which had a positive impact on the market value of the Group's interest rate derivatives. The fair value of the Group's interest rate and derivatives derivatives was SEK 216.7 million (-0.7) at the end of the period. The value change in interest rate derivatives does not affect cash flow, and at maturity the value of the derivatives is always zero.

### ***Tax***

Current tax for the period amounted to SEK 1.5 million (0.4). Deferred tax amounted to SEK 95.9 million (46.1), affected by unrealized value changes in properties totaling SEK 239.9 million (162.9). Tax has been calculated at 20.6 percent on current taxable profit.

### ***Profit, comprehensive income and other comprehensive income for the period***

Profit for the first quarter was SEK 328.2 million (168.2) corresponding to SEK 1.52 (0.78) per share. Comprehensive income for the period totaled SEK 330.3 million (171.9). Other comprehensive income includes translation differences relating to K-Fastigheter's foreign operations, which totaled SEK 2.1 million (3.7) in the period. The full amount relates to items that can be reversed in a later period.



## FINANCIAL POSITION AS PER 31 MARCH 2022

### ***Intangible assets***

Intangible assets comprise goodwill and other intangible assets primarily arising in the connection with the acquisition of K-Prefab. At the end of the period, goodwill amounted to SEK 443.6 million (484.3) and other intangible assets, comprising the value of K-Prefab's customer relations, amounted to SEK 41.3 million (-).

### ***Investment properties***

At the end of the period, the value of investment properties totaled SEK 10,552.9 million (9,603.7), distributed over completed investment properties of SEK 7,711.5 million (6,923.4), undeveloped land and building rights of SEK 693.4 million (722.3), site leases of SEK 18.0 million (18.0) and construction in progress of SEK 2,130.2 million (1,940.0). For more information, see Property portfolio and Valuation.

### ***Business properties and equipment***

The value of business properties and equipment amounted to SEK 455.3 million (448.4) at the end of the period and SEK 187.8 million (189.8) respectively. In the period, further investments were made to Prefab's facilities with the aim of increasing the production capacity.

### ***Cash and cash equivalents***

At the end of the period, cash and cash equivalents amounted to SEK 199.4 million (94.0). In addition, K-Fastigheter has an unutilized overdraft facility of SEK 185.2 million (356.9).

### ***Equity and Net Asset Value***

At the end of the period, Group equity attributable to Parent Company shareholders amounted to SEK 4,564.0 million (4,233.7), corresponding to SEK 21.20 per share (19.66). The increase is explained by the comprehensive income for the period of SEK 330.3 million (171.9). At the end of the period, the Group's equity/asset ratio was 35.8 percent (36.9).

At the end of the period, the long-term net asset value (NAV) amounted to SEK 5,225.7 million (4,976.1), corresponding to SEK 24.27 per share (23.11), which is an increase of 5 percent compared to 31 December 2021 and up 33 percent on 31 March 2021.

### ***Interest-bearing liabilities and interest rate derivatives***

At the end of the period, consolidated interest-bearing liabilities amounted to SEK 6,753.9 million (5,943.9), of which SEK 1,209.0 million (947.5) was classified as current interest-bearing liabilities. The debt-to-equity ratio for the Group amounted to 52.9 percent (51.8). The increase in interest-bearing liabilities was mainly due to financing of ongoing construction, acquisitions in the period and reduced net cash in connection with the acquisition of K-Prefab. For more information, see Financing.



# COMPREHENSIVE INCOME

## Summary consolidated statement of comprehensive income

SEK m	2022 Jan–Mar	2021 Jan–Mar	2021 April– 2022 Mar	2021 Jan–Dec
Rental income	79.3	59.5	285.7	265.9
Project and construction income	269.5	225.1	1,020.6	976.1
<b>Net sales</b>	<b>348.8</b>	<b>284.6</b>	<b>1,306.3</b>	<b>1,242.1</b>
Other operating income	3.5	2.0	12.2	10.7
Operating costs	-19.7	-13.3	-58.7	-52.3
Maintenance	-3.1	-2.9	-12.6	-12.4
Property tax	-1.6	-1.6	-5.7	-5.7
Property administration	-5.3	-6.8	-21.2	-22.7
Property management costs	-29.6	-24.6	-98.1	-93.1
Project and contracting costs	-264.5	-210.3	-936.0	-881.8
<b>Gross profit</b>	<b>58.2</b>	<b>51.6</b>	<b>272.2</b>	<b>277.9</b>
<i>of which, gross profit from property management (operating surplus)</i>	<i>50.0</i>	<i>35.5</i>	<i>190.6</i>	<i>176.1</i>
<i>of which, gross profit from project and contracting operations</i>	<i>8.2</i>	<i>16.1</i>	<i>93.9</i>	<i>101.8</i>
Central administration	-17.6	-8.4	-50.0	-40.7
Depreciation/Amortization and Impairment	-14.9	-5.4	-67.6	-58.2
Profit from participations in associated and jointly controlled companies	3.3	3.4	23.2	23.3
Net interest income	-23.1	-15.9	-82.8	-75.6
<b>Profit before value changes</b>	<b>5.9</b>	<b>25.4</b>	<b>95.0</b>	<b>126.6</b>
<i>of which, profit from property management</i>	<i>26.0</i>	<i>19.5</i>	<i>107.9</i>	<i>101.4</i>
Change in value of investment properties	239.9	162.9	1,216.1	1,139.1
Changes in value of derivatives and other	179.7	26.5	219.3	66.0
<b>Profit before tax</b>	<b>425.6</b>	<b>214.8</b>	<b>1,530.3</b>	<b>1,331.7</b>
Tax on profit for the period	-97.4	-46.6	-338.1	-287.3
<b>Profit for the period</b>	<b>328.2</b>	<b>168.2</b>	<b>1,192.2</b>	<b>1,044.4</b>
Other comprehensive income	2.1	3.7	2.1	3.8
<b>Comprehensive income for the period</b>	<b>330.3</b>	<b>171.9</b>	<b>1,194.3</b>	<b>1,048.1</b>
<b>Profit after tax per share, SEK/share*</b>	<b>1.52</b>	<b>0.78</b>	<b>5.54</b>	<b>4.85</b>

\*There are no potential shares (e.g. convertibles) in the company, and accordingly no dilution effect.

## Segment reporting

2022 Jan–Mar	Property Management	Project Development	Construction	Prefab	Other	Group
Income	79.6	0.0	162.1	305.7	-195.1	352.4
Expenses	-29.6	0.0	-165.2	-294.4	195.1	-294.2
<b>Gross profit</b>	<b>50.0</b>	<b>0.0</b>	<b>-3.1</b>	<b>11.3</b>	<b>0.0</b>	<b>58.2</b>
Central administration costs	-4.4	-4.4	-4.4	-4.4	0.0	-17.6
Depreciation/Amortization and Impairment	-1.2	0.0	-0.3	-13.4	0.0	-14.9
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	3.3	3.3
Net interest income	-18.3	0.0	-0.5	-4.4	0.0	-23.1
<b>Profit before value changes</b>	<b>26.0</b>	<b>-4.4</b>	<b>-8.2</b>	<b>-10.8</b>	<b>3.3</b>	<b>5.9</b>
Value change, properties	68.3	171.6	0.0	0.0	0.0	239.9
Changes in value of derivatives and other	181.7	0.0	-1.9	0.0	0.0	179.7
<b>Profit before tax</b>	<b>276.0</b>	<b>167.2</b>	<b>-10.1</b>	<b>-10.8</b>	<b>3.3</b>	<b>425.6</b>
Tax	-51.5	-35.3	0.4	1.0	-11.9	-97.4
<b>Profit for the period</b>	<b>224.5</b>	<b>131.8</b>	<b>-9.7</b>	<b>-9.8</b>	<b>-8.6</b>	<b>328.2</b>
Total assets	10,891.7	0.0	37.7	1,365.6	463.2	12,758.2
Total liabilities	6,869.1	0.0	92.1	1,130.5	102.5	8,194.2
2021 Jan–Mar	Property Management	Project Development	Construction	Prefab	Other	Group
Income	60.1	0.0	147.7	229.3	-150.6	286.5
Expenses	-24.6	0.0	-140.7	-220.2	150.6	-234.9
<b>Gross profit</b>	<b>35.5</b>	<b>0.0</b>	<b>7.0</b>	<b>9.1</b>	<b>0.0</b>	<b>51.6</b>
Central administration costs	-2.1	-2.1	-2.1	-2.1	0.0	-8.4
Depreciation/Amortization and Impairment	-0.8	0.0	-0.6	-5.0	1.0	-5.4
Profit from holding in associated companies*	0.0	0.0	0.0	0.0	3.4	3.4
Net interest income	-13.1	0.0	0.0	-2.8	0.0	-15.9
<b>Profit before value changes</b>	<b>19.5</b>	<b>-2.1</b>	<b>4.3</b>	<b>-0.8</b>	<b>4.5</b>	<b>25.4</b>
Value change, properties	20.7	142.2	0.0	0.0	0.0	162.9
Changes in value of derivatives and other	26.5	0.0	0.0	0.0	0.0	26.5
<b>Profit before tax</b>	<b>66.7</b>	<b>140.1</b>	<b>4.3</b>	<b>-0.8</b>	<b>4.4</b>	<b>214.8</b>
Tax	-9.7	-29.3	0.0	0.0	-7.6	-46.6
<b>Profit for the period</b>	<b>57.0</b>	<b>110.8</b>	<b>4.3</b>	<b>-0.8</b>	<b>-3.1</b>	<b>168.2</b>
Total assets	7,552.1	0.0	22.3	1,240.2	128.1	8,942.6
Total liabilities	4,636.8	0.0	84.7	792.6	46.8	5,560.9

\* Profit from participations in associated and jointly controlled companies.



# FINANCIAL POSITION

## Summary consolidated statement of financial position

SEK m	2022 31 Mar	2021 31 Mar	2021 31 Dec
<b>ASSETS</b>			
<b>Tangible non-current assets</b>			
Intangible assets	484.9	484.3	484.7
Investment properties	10,552.9	7,426.3	9,603.7
Business properties	455.3	400.0	448.4
Equipment	187.8	133.6	189.8
<b>Total non-current assets</b>	<b>11,681.0</b>	<b>8,444.2</b>	<b>10,726.6</b>
<b>Financial non-current assets</b>			
Holdings in associated and jointly controlled companies and other non-current receivables	254.8	47.9	243.5
Derivative instruments	216.7	0.0	37.0
Deferred tax receivables	18.9	21.1	17.1
<b>Total financial non-current assets</b>	<b>490.4</b>	<b>69.0</b>	<b>297.5</b>
<b>Total non-current assets</b>	<b>12,171.4</b>	<b>8,513.2</b>	<b>11,024.1</b>
<b>Current assets</b>			
Inventories	55.7	39.1	51.7
Accounts receivable	127.5	118.8	105.3
Other receivables	204.2	195.1	207.6
Cash and cash equivalents	199.4	76.3	94.0
<b>Total current assets</b>	<b>586.8</b>	<b>429.4</b>	<b>458.6</b>
<b>Total assets</b>	<b>12,758.2</b>	<b>8,942.6</b>	<b>11,482.7</b>

SEK m	2022 31 Mar	2021 31 Mar	2021 31 Dec
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	57.4	57.4	57.4
Other capital contributions	1,372.9	1,372.9	1,372.9
Profit brought forward including the profit for the period	3,133.1	1,951.4	2,803.4
<b>Total equity</b>	<b>4,564.0</b>	<b>3,381.7</b>	<b>4,233.7</b>
<b>Non-current liabilities</b>			
Deferred tax liability	897.4	556.6	796.4
Long-term interest-bearing liabilities	5,544.9	3,343.4	4,996.4
Derivative instruments	0.0	0.7	0.0
Other provisions and non-current liabilities	16.5	269.1	13.7
<b>Total non-current liabilities</b>	<b>6,458.8</b>	<b>4,169.7</b>	<b>5,806.5</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	1,209.0	1,000.0	947.5
Accounts payable	229.1	160.0	177.2
Other current liabilities	297.3	231.2	317.8
<b>Total current liabilities</b>	<b>1,735.4</b>	<b>1,391.2</b>	<b>1,442.5</b>
<b>Total equity and liabilities</b>	<b>12,758.2</b>	<b>8,942.6</b>	<b>11,482.7</b>

## Consolidated statement of changes in equity in summary

SEK m	2022 31 Mar	2021 31 Dec	2020 31 Dec
<b>Total equity at the beginning of the period</b>	<b>4,233.7</b>	<b>3,209.8</b>	<b>3,209.8</b>
Repurchase of own shares	0.0	0.0	-24.3
Profit for the period	328.2	168.2	1,044.4
Other comprehensive income	2.1	3.7	3.8
<b>Total equity at the end of the period*</b>	<b>4,564.0</b>	<b>3,381.7</b>	<b>4,233.7</b>

\*Total equity does not include equity attributable to non-controlling holdings.



## CASH FLOW STATEMENT

### Summary Consolidated Cash Flow Statement

SEK m	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec
<b>Operating activities</b>			
Gross profit adjusted for central administration, depreciation/amortization and impairment	25.7	37.8	179.0
Adjustment for items not affecting cash flow	13.1	6.1	45.7
Dividend received	3.2	3.4	0.0
Net interest income	-23.1	-15.9	-74.8
Tax paid	-9.7	-1.9	-4.3
<b>Cash flow from operating activities before changes in working capital</b>	<b>9.2</b>	<b>29.5</b>	<b>145.6</b>
Change in operating receivables	-17.1	32.2	37.1
Change in operating liabilities	31.4	77.3	142.5
<b>Cash flow from operating activities</b>	<b>23.5</b>	<b>139.0</b>	<b>325.3</b>
<b>Investing activities</b>			
Investments in Group, associated and jointly controlled companies	-3.5	-652.8	-858.8
Property investments	-297.4	-131.0	-330.3
Investments in construction in progress	-419.1	-269.1	-1,326.3
Investments in machinery and equipment	2.8	-6.4	-50.4
Divestments of properties	0.0	0.3	51.0
Change in other financial non-current assets	-9.8	1.3	-0.5
<b>Cash flow from investing activities</b>	<b>-727.0</b>	<b>-1,057.5</b>	<b>-2,515.4</b>
<b>Financing activities</b>			
Borrowings	849.6	527.8	1,909.6
Loan amortizations	-40.8	-40.8	-133.2
Capital contributions	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>808.8</b>	<b>487.0</b>	<b>1,776.3</b>
<b>Cash flow for the period</b>	<b>105.3</b>	<b>-431.5</b>	<b>-413.8</b>
Translation differences in cash and cash equivalents	0.1	0.2	0.1
Opening cash and cash equivalents	94.0	507.6	507.6
<b>Opening cash and cash equivalents</b>	<b>199.4</b>	<b>76.3</b>	<b>94.0</b>

Cash and cash equivalents in the Cash Flow Statement refer in their entirety to cash and bank balances.

## PARENT COMPANY STATEMENTS

### Parent Company Income Statement in summary

SEK m	2022 Jan–Mar	2021 Jan–Mar	2021 Jan–Dec
<b>Operating income</b>			
Net sales	0.0	0.0	0.1
Administration costs	-17.7	-8.7	-40.3
Amortization and depreciation	0.0	0.0	-0.2
<b>Gross profit</b>	<b>-17.7</b>	<b>-8.7</b>	<b>-40.4</b>
Profit from participations in associated and jointly controlled companies	3.2	0.0	-0.2
Net financial items	181.0	30.0	69.5
<b>Profit before appropriations and tax</b>	<b>166.5</b>	<b>21.3</b>	<b>28.9</b>
Appropriations	0.0	0.0	87.9
Tax on profit for the period	-37.4	-5.5	-23.3
<b>Profit for the period</b>	<b>129.1</b>	<b>15.9</b>	<b>93.5</b>

### Parent Company Balance Sheet in summary

Assets, SEK m	2022 31 Mar	2021 31 Mar	2021 31 Dec
<b>Non-current assets</b>			
Tangible non-current assets	0.2	0.6	0.2
Participations in Group companies	1,141.0	957.6	1,009.0
Receivables from Group companies	845.2	863.1	849.6
Shares in associated companies and other non-current securities holdings	192.5	0.1	190.2
Derivative instruments	218.0	0.0	36.4
Deferred tax receivables	0.0	10.3	0.0
<b>Total non-current assets</b>	<b>2,396.9</b>	<b>1,831.6</b>	<b>2,085.5</b>
<b>Current assets</b>			
Receivables from Group companies	1,094.6	1,133.0	1,208.5
Receivables from associated companies	3.4	5.0	5.4
Other current receivables	66.9	45.3	61.4
Cash and cash equivalents	179.9	42.3	69.0
<b>Total current assets</b>	<b>1,344.7</b>	<b>1,225.6</b>	<b>1,344.2</b>
<b>Total assets</b>	<b>3,741.6</b>	<b>3,057.2</b>	<b>3,429.7</b>
<b>Equity and liabilities, SEK m</b>			
<b>Equity</b>			
Restricted equity	57.4	57.4	57.4
Unrestricted equity	1,704.9	1,498.3	1,575.9
<b>Total equity</b>	<b>1,762.4</b>	<b>1,555.7</b>	<b>1,633.3</b>
<b>Non-current liabilities</b>			
Deferred tax liability	44.9	0.0	7.5
Long-term interest-bearing liabilities	1,150.9	845.2	931.7
Derivative instruments	0.0	0.6	0.0
Other provisions and non-current liabilities	2.3	6.3	2.4
<b>Total non-current liabilities</b>	<b>1,198.1</b>	<b>852.1</b>	<b>941.6</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	30.4	17.9	17.9
Liabilities to Group companies	735.5	619.2	823.3
Other current liabilities	15.3	12.3	13.6
<b>Total current liabilities</b>	<b>781.2</b>	<b>649.4</b>	<b>854.8</b>
<b>Total equity and liabilities</b>	<b>3,741.6</b>	<b>3,057.2</b>	<b>3,429.7</b>

## KEY PERFORMANCE INDICATORS

In the Interim Report, K-Fastigheter presents certain financial measures that are not defined in accordance with IFRS.

K-Fastigheter believes that these measures provide valuable additional information to investors and management as they enable assessment of the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measurements used by other companies. Accordingly, these financial measures should not be considered as a replacement for measures defined in accordance with IFRS. The table below presents financial measures that are not defined in accordance with IFRS.

Key performance indicators (definitions and information about KPIs can be found at [k-fastigheter.com/en/investors/](http://k-fastigheter.com/en/investors/)).

Compared with the 2021 Annual Report, the definitions of the alternative key performance indicators have not changed.

Property-related key performance indicators	2022	2021	2021 Apr–	2021
	Jan–Mar	Jan–Mar	2022 Mar	Jan–Dec
Rental value, SEK m	367.1	278.0	367.1	328.0
Financial letting ratio, %	97.4%	92.9%	97.4%	97.0%
Average financial letting ratio, %	94.8%	89.4%	94.0%	92.7%
Surplus ratio, %	63.0%	59.7%	66.7%	66.2%
Lettable area, m <sup>2</sup>	237,024	185,976	237,024	213,952
Number of apartments under management	3,050	2,277	3,050	2,723
Number of construction starts, apartments	244	296	944	996
Number of apartments under construction	1,880	1,567	1,880	1,820
Number of apartments under project development	5,347	5,281	5,347	5,869
<b>Financial key performance indicators</b>				
Interest coverage ratio, multiple	1.9	2.9	3.0	3.4
Equity/assets ratio, %	35.8%	37.8%	35.8%	36.9%
Debt-to-equity ratio, %	52.9%	48.6%	52.9%	51.8%
Period for which capital is tied up, years	2.5	2.6	2.5	2.8
Period of fixed-interest, years	3.9	4.2	3.9	4.4
Average interest, %	1.74%	1.69%	1.74%	1.85%
Net investments, SEK m	707.4	414.9	1,900.6	1,608.1
Profit from property management, SEK m	26.0	19.5	107.9	101.4
Long-term net asset value (NAV), SEK m	5,225.7	3,917.8	5,225.7	4,976.1
<b>Share-related key performance indicators</b>				
Long-term net asset value (NAV), SEK/share	24.27	18.19	24.27	23.11
<i>Growth in long-term net asset value(NAV),%</i>	5.0%	7.0%	33.4%	35.9%
Equity per share, SEK	21.20	15.70	21.20	19.66
Profit from property management per share, SEK	0.12	0.09	0.50	0.47
<i>Growth in profit from property management per share, %</i>	33.6%	18.5%	33.0%	29.8%
Profit after tax per share, SEK	1.52	0.78	5.54	4.85
Number of shares outstanding at the end of the period, millions*	215.3	215.3	215.3	215.3
Average number of shares outstanding during the period, millions*	215.3	215.3	215.3	215.3

\* The number of outstanding shares at the end of the period and the average number of outstanding shares in the period have been adjusted for the 6:1 share split on 7 June 2021.

## OTHER INFORMATION

### *Opportunities and risks for the Group*

Preparing financial reports in accordance with IFRS requires Group management to make assessments, estimates and judgments that affect how accounting principles are applied and the carrying amounts for assets, liabilities, income and expenses. The estimates and judgments are based on historical experience and other factors that appear reasonable under the prevailing circumstances. The results of these estimates and judgments are then applied in estimating the carrying amounts of assets and liabilities, which would not otherwise be evident from other sources. Actual outcomes may deviate from these estimates and judgments.

K-Fastigheter's operations, financial position and profit can be affected, directly or indirectly, by a number of risks, uncertainties and external factors, where the effect on the Group's operating profit can be controlled to varying degrees. To limit risk exposure the Group applies internal regulatory frameworks, policies and control systems. K-Fastigheter's significant risks, exposure and management are described in the Annual Report 2021.

Sensitivity analysis (SEK m)	Cash flow	Fair value
Direct return requirement +/- 0.1%	-	202.3
Rental value +/- 1%	3.0	79.5
Operating and maintenance costs +/- 1%	0.5	13.3
Long-term vacancy ratio +/- 1%	3.0	79.5
<b>Change in value of completed investment properties and building rights</b>	<b>-10%</b>	<b>+10%</b>
Property value, SEK m	-840.5	840.5
Debt-to-equity ratio, %	57%	50%

### *Effects of the Covid-19 pandemic and the war in Ukraine*

After the fall and winter, the current wave of the Covid-19 pandemic receded in the first quarter of 2022 due to a milder variant of the virus and rising vaccination rates. The restrictions are gradually easing as a result. At the time of preparing the current Interim Report, the effect on K-Fastigheter's operations remains limited.

At the time of preparing the current Interim Report, the war in the Ukraine has been underway for over two months. To date, the war has had limited effect on K-Fastigheter's operations, and has mainly affected the pricing of certain input goods, especially steel and energy prices and the indirect effects of increased energy and fuel prices.

The impact of the Covid-19 pandemic and the war in the Ukraine on K-Fastigheter's future operations remains uncertain. K-Fastigheter continuously reviews the situation and will present updates in forthcoming Interim Reports. Additional information may also be presented in the form of press releases.

### *Market outlook*

K-Fastigheter's offering meets the market's demand for quality housing at the right cost. The Group's concept buildings, developed in-house, generates conditions for cost control and financial efficiency throughout the chain, from building rights to property management. It is the Group's view that demand remains favorable in Skåne, particularly in the Öresund region and in the Västra Götaland, Copenhagen and Mälardalen regions, and areas with structural housing shortages.

### *Seasonal variations*

Property management is associated with certain seasonal variations primarily in tariff-related heating costs. With regard to construction operations, seasonality is mainly associated with weather and holiday periods, which means that the first quarter, the summer months, and December return weaker performance than the rest of the year.



## **Organization and employees**

The Group's Parent Company is K-Fast Holding AB. At the end of the period, the Group consisted of 78 wholly-owned subsidiaries and twelve associated company groups. The number of employees amounted to 724 (691), of which 65 were women (60) and 659 were men (631).

Operations are organized into four business areas: Project Development, Construction, Prefab and Property Management, where the relevant Business Area Managers report to the CEO, and are part of, Group management.

There are also Group-wide functions for Business Development, Accounting and Finance, IT, IR/Communication and market, Legal and HR. The Group's Business Development, Heads of Treasury, Finance, IR/Communications and Markets and HR are members of the Group management team.

The head office is located in Hässleholm, Sweden. There are also offices in Malmö, Gothenburg, Stockholm, Helsingborg, Kristianstad and Landskrona, as well as production facilities in Hässleholm, Osby, Östra Grevie, Kävlinge, Bollebygd, Vara, Hultsfred, Borensberg, Strängnäs and Katrineholm.

## **Accounting principles**

K-Fast Holding AB adheres to the IFRS standards adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.

The Group and Parent Company measures all financial assets and liabilities at amortized cost, with the exception of derivative instruments, which are measured at fair value through the Income Statement. In K-Fastigheter's assessment, the reported value of financial assets and financial liabilities valued at amortized cost represents a good approximation of fair value. The Parent Company measures all financial assets and liabilities at amortized cost, with



the exception of derivative instruments, which are valued at the lower of cost and net realizable value. For further details, see Note 22, Financial risk and finance policies in the 2021 Annual Report.

For complete accounting principles, please refer to K-Fast Holding AB's 2021 Annual Report. No accounting principles have changed from the Annual Report 2021.

## **Related-party transactions**

The Group's related parties include all Board Members, the CEO and members of management, as well as individuals and companies closely related to them. Related-party transactions totaled

SEK 0.2 million (1.3) in the period, of which legal consultation provided by law firm VICI AB, where Board member Christian Karlsson is a partner, comprised SEK 0.2 million (1.2).

In addition to the above transactions, construction services were procured from associated company PVS Mark&VA totaling SEK 7.9 million (0.0) in the period. All transactions are priced at market terms.



## OTHER INFORMATION

### *Signatures*

This Interim Report has not been subject to review by the company's auditors. The Board of Directors and the CEO provide their assurance that the Interim Report provides a true and fair view of the operations, financial position and profit of the Parent Company and the Group, describing the significant risks and uncertainties faced by the Parent Company and the companies within the Group.

*Hässleholm, Sweden, 5 May 2022*

***Erik Selin***

Chairman of the Board

***Ulf Johansson***

Board Member

***Christian Karlsson***

Board Member

***Sara Mindus***

Board Member

***Jesper Mårtensson***

Board Member

***Jacob Karlsson***

Board Member and CEO



### PRESENTATION OF THE INTERIM REPORT

*K-Fastigheter's President and CEO Jacob Karlsson and CFO Martin Larsson will comment on the Group's Interim Report for the first quarter 2022 on Friday 5 May 2021 at 4.30 p.m. CEST.*

*The presentation materials (slides + audio) will be available at [k-fastigheter.com/en/for-investors/presentations](https://www.k-fastigheter.com/en/for-investors/presentations). The presentation will be held in Swedish with presentation materials in Swedish and English.*

*Questions may be addressed in writing to [ir@k-fastigheter.se](mailto:ir@k-fastigheter.se) with answers being compiled on an ongoing basis during the day and being published on, [www.k-fastigheter.com](https://www.k-fastigheter.com).*

### CALENDAR

*Annual General Meeting 2022 – 12 May 2022*

*Interim Report Jan–Jun 2022 – 28 July 2022*

*Interim Report January–September 2022 – 10 November 2022*



## THE SHARE AND SHAREHOLDERS

K-Fast Holding AB's Class B shares (ticker: KFAST B) were launched on Nasdaq Stockholm in the Real Estate segment on 29 November 2019. On 31 March 2022, K-Fastigheter's market capitalization was SEK 12,861.8 million. At the end of the quarter, there were approximately 6,000 shareholders.

On 31 March 2022, there were a total 215,331,168 shares in K-Fast Holding distributed between 22,500,000 Class A shares and 192,831,168 Class B shares respectively. The total number of votes on 31 March 2022 was: 305,331,168. All KPIs and share-related information in this report have been adjusted for the number of shares after the share split.

Each Class A share conveys five votes and each Class B share conveys one vote. All shares carry equal rights to participate in the Company's assets and earnings and to any surplus on liquidation. Neither Class A nor Class B shares are subject to any transfer restrictions.

### Share price performance and trading\*

During the period 1 April 2021 – 31 March 2022, approximately 21.6 million KFAST Class B shares were traded on Nasdaq Stockholm. The daily turnover of K-Fastigheter's shares on Nasdaq Stockholm averaged 84,900 shares and the average price paid was SEK 70.21. The highest price paid during the period was SEK 96.30 on 19 November, and the lowest price paid was SEK 43.33 on 14 April 2021. On 31 March 2022, the share price was SEK 66.70 (last paid). Market value of all shares in the company, based on the last price paid for a class B share on 31 March 2022, amounted to SEK 14,362.6 million.

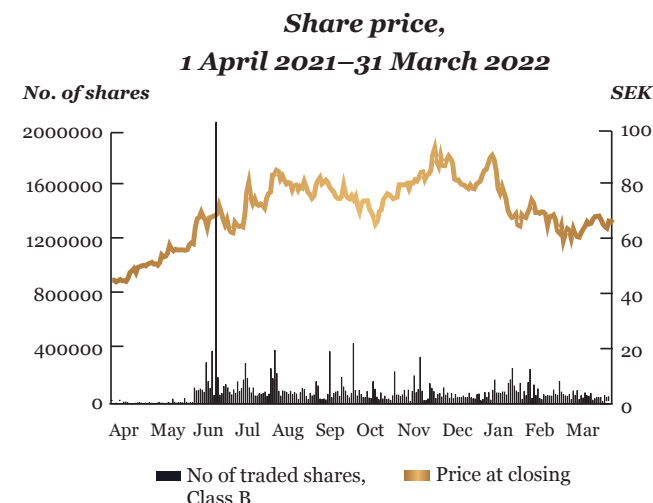
### Share capital

The AGM 2021 authorized the Board to decide to repurchase the company's Class B shares, corresponding to a maximum of 10 percent of the total number of shares issued in K-Fast Holding AB. No shares were repurchased in the period. Repurchased shares cannot be used to represent votes at shareholders' meetings. The AGM 2021 also authorized the Board to carry out one or more new share issues of Class B shares, subject to a total maximum of 24,000,000 new shares. No new shares were issued in the period.

More information about the share capital can be found at [www.k-fastigheter.com](http://www.k-fastigheter.com).

Marketplace	Nasdaq Stockholm
Name of share	K-FAST Holding B
Ticker	KFAST B
ISIN code	SE0016101679
Segment	Large Cap
Sector	Real Estate
Currency	SEK
Total number of shares outstanding	215,331,168
Total number of Class B shares listed on Nasdaq Stockholm	192,831,168
Closing price 31 Mar 2022	SEK 66,70
Market price 31 March 2022*	SEK 14,362.6 million

\* Market value of all shares in the company, based on the last price paid for a Class B share on 31 December 2021.



Source: Nasdaq Stockholm

### Ten largest shareholders (in order of total voting power) as per 31 March 2022

Name	Number of Class A shares*	Number of Class B shares*	Total number of shares	Percentage of share capital%	Percentage of votes %
Jacob Karlsson AB	11,250,000	63,751,361	75,001,361	34.8%	39.3%
Erik Selin Fastigheter AB	11,250,000	63,750,000	75,000,000	34.8%	39.3%
Capital Group	0	12,909,607	12,909,607	6.0%	4.2%
Länsförsäkringar funds	0	9,819,912	9,819,912	4.6%	3.2%
AP4	0	5,380,525	5,380,525	2.5%	1.8%
SEB funds	0	3,833,343	3,833,343	1.8%	1.3%
Nergården familjes**	0	2,868,600	2,868,600	1.3%	0.9%
ER-HO Förvaltning AB	0	2,283,000	2,283,000	1.1%	0.7%
AP2	0	1,665,685	1,665,685	0.8%	0.5%
Sara Mindus	0	1,650,000	1,650,000	0.8%	0.5%
<b>Ten largest shareholders</b>	<b>22,500,000</b>	<b>167,912,033</b>	<b>190,412,033</b>	<b>88.4%</b>	<b>91.8%</b>
Other shareholders	0	24,919,135	24,919,135	11.6%	8.2%
<b>Total</b>	<b>22,500,000</b>	<b>192,831,168</b>	<b>215,331,168</b>	<b>100.0%</b>	<b>100.0%</b>
Of whom, Board of Directors and Group Management	22,500,000	131,405,183	153,905,183	71.5%	79.9%

\* Each Class A share confers five votes and each Class B share confers one vote.

\*\* Through Mjöbäcksvillan Entreprenad Holding AB and Väst kustStugan AB.

The ownership structure as of 31 March 2022, based on data from Euroclear Sweden and K-Fastigheter.

## K-FASTIGHETER'S CONCEPT BUILDINGS



### KRISTIANSTAD

#### ***Öllsjö 7:47 -12 Low-Rise apartments***

##### ***Low-Rise – flexible buildings with a wide range of choice***

K-Fastigheter's flexible one to three-story multi-family dwellings can be constructed either as semi-detached houses, terraced houses or link houses with one or two-story apartments. The apartments are available in four sizes: one bedroom, living room and kitchen totaling 60 square meters; two bedrooms, living room and kitchen totaling 75 square meters; three bedrooms, living room and kitchen totaling 90 square meters; and three bedrooms, living room and kitchen totaling 94 square meters on two stories.

##### ***Structural details:***

Ground level foundation plate, aerated three-layer wooden frame, delivered in prefabricated units.



### HELSINGBORG

#### ***Brigaden 7 & 8 – 179 Lateral Low-Rise apartments***

##### ***Lateral Low-Rise – variation and space efficiency***

K-Fastigheter's neighborhood-structure multi-family dwellings can be constructed up to ten stories in height. There are two standard space-efficient apartment formats within Lateral Low-Rise buildings: one bedroom, living room and kitchen totaling 49 square meters and two bedrooms, living room and kitchen totaling 59 square meters. It is also possible to include apartment alternatives that are either larger or smaller. To meet market demand and offer the best possible use of building rights, K-Fastigheter has chosen to make its Lateral Low-Rise as adaptable as possible with regard to floor plans and with opportunities for underground garages and commercial premises on the ground floor.

##### ***Structural details:***

Supporting concrete structure with flooring units and concrete separating walls between apartments and lightweight external wall units.



### HÄSSLEHOLM

#### ***Tre Överstar 7 – 29 Apartment Block apartments***

##### ***Apartment Block – residential buildings for all locations***

K-Fastigheter's apartment blocks are square-footprint multi-family dwellings which can be constructed with heights of four to ten stories. The Apartment Blocks have four apartments on each floor: two with one bedroom, living room and kitchen totaling 62 square meters and two with two bedrooms, living room and kitchen totaling 71 square meters. All apartments are equipped with spacious 27 square-meter balconies facing two directions. The Apartment Block is particularly suited for construction on difficult terrain, and multiple designs are available for the ground floor. On plots with uneven terrain, the ground floor can be constructed to include a semi-basement. K-Fastigheter has continued to develop the Apartment Block concept on the basis of this experience, resulting in the concept Apartment Block Plus. Apartment Block Plus is a rectangular structure containing six apartments per story. Apartment Block Plus is a hybrid, which allows for more choice, and can be built as a freestanding apartment block, or as two buildings connected at the gables, which creates a structure similar to K-Fastigheter's Lateral Low-Rise housing units.

##### ***Structural details:***

Entirely concrete structure with sandwich exterior walls, uniform walls separating apartments and floor units. The roof is available in three options: pent, pitched or hipped. The façade color can be individualized and there is a selection of balcony railings to choose from.

# K-FASTIGHETER – MORE THAN A PROPERTY COMPANY

K-Fast Holding AB (publ) (“K-Fastigheter”) is a project development, construction and property company focused primarily on rental housing properties, which, as of 31 March 2022, accounted for 90 percent of the property value of the completed property portfolio and for 87 percent of the contractual rent. On 31 March 2022, K-Fastigheter’s property holding had a total lettable area of approximately 237,000 square meters distributed over 3,050 apartments and some 160 commercial contracts with total contractual rental income of approximately SEK 358 million annually. The project portfolio comprises some 7,200 apartments under construction and in project development.

Cross-functional work allows K-Fastigheter to generate a profit at all stages. In the period January - March 2022, 34 percent of Group profit after tax was derived from project development and construction, and 66 percent from property management.

## Overarching goals

K-Fastigheter’s overarching goal is to generate value for the Company’s shareholders. Over a business cycle, value creation is measured as growth in long-term net asset value per share.

## Operational goals



In the long term, rental income from housing is to comprise at least 80 percent of K-Fastigheter’s total rental income.



The number of apartments to be managed by the Company and on which construction has commenced is to amount to 1,300 annually before the end of 2023.



At the end of 2023, K-Fastigheter is to manage at least 5,000 apartments in the Nordic region.

## Financial targets

- Over an economic cycle, growth in long-term net asset value per share is to average at least 20 percent annually, including any value transfers.
- Over an economic cycle, annual growth in profit per share from property management is to average at least 20 percent.

The target is to generate growth in net asset value and profit from property management while maintaining a stable and sound financial position and with balanced financial risk-taking, meaning that:

- Over time, the equity/assets ratio at Group level is not to be less than 25 percent.
- Over time, the interest coverage ratio is not to be less than a multiple of 1.75.
- Over time, the debt-to-equity ratio is not to exceed 70 percent relative to the market value of the Group’s investment properties.

## Sustainability and value creation

For K-Fastigheter, sustainability is a concept that spans more dimensions than focusing solely on environmental impact. K-Fastigheter values commitment in its own operations, and commitment to sustainability issues that are high on the agenda of the company’s customers, suppliers and public authorities.

K-Fastigheter mainly pursues initiatives in product development, procurement and social sustainability. K-Fastigheter’s business concept is to construct concept buildings, that is, a limited number of alternative buildings that can be adapted to each location. The foundation is a systematic working method, providing optimal resource utilization and ensuring both superior quality and a beneficial working environment. By using an industrial process in proprietary production facilities, consumption of materials, logistics and other resources can be planned in detail, reducing waste, streamlining flows and lowering costs in areas that do not create value.

K-Fastigheter’s concept buildings are constructed with the ambition of meeting requirements corresponding to those set by the Swedish Miljöbyggnad Silver environmental certification system, which is administrated by the Sweden Green Building Council.

Since early 2019, electricity in K-Fastigheter’s properties has been procured exclusively from suppliers offering electricity from renewable sources, mainly wind power. From the second quarter 2021, K-Fastigheter will be installing photo voltaic cells on all new build Lateral Low-Rise buildings and Apartment Blocks. The Group will also install solar panels on its production plants.

K-Fastigheter participates in Global Compact, the UN’s principles for business, governing human rights, working environment, anti-corruption and the environment.

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*This report and other financial information and press releases can be found on the company’s website, k-fastigheter.com/for-investerare.*

*This information is such that K-Fast Holding AB is obliged to disclose in accordance with the EU’s Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 4.00 p.m. CEST on 5 May 2022.*

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# K-FASTIGHETER